



UNITED STATES ENVIRONMENTAL PROTECTION AGENCY
REGION 5
77 WEST JACKSON BOULEVARD
CHICAGO, IL 60604-3590

JAN 18 2012

REPLY TO THE ATTENTION OF:

Phil Lombard
830 West Drayton Avenue
Ferndale, Michigan 48220

Dear Mr. Lombard:

Thank you for your letter, dated December 30, 2011, expressing concerns that Michigan's Renewable Operating Permit (ROP) program fees may not meet the federally required minimum. Michigan's ROP program is required by Title V of the Clean Air Act and the implementing regulations at 40 Code of Federal Regulations (CFR) Part 70.

As you know, Michigan submitted its updated ROP program to the U.S. Environmental Protection Agency in November 2010. In March 2011, EPA sent a letter to the Michigan Department of Environmental Quality (MDEQ) stating that the submittal was not approvable due in part because MDEQ had not provided a demonstration that the ROP program fees were sufficient to cover program costs. In April 2011, MDEQ sent a letter to EPA (enclosed) committing to address the fee issues, contingent upon Michigan passing a legislative fee increase. Michigan House Bill 4915 became law effective October 4, 2011. MDEQ has not yet updated its November 2010 Title V program submittal to EPA to include the revised fee statute and additional fee program documentation.

The Federal Title V program requires that MDEQ collect fees from subject sources that are sufficient to cover ROP program expenses, and are used solely to cover the costs of the ROP program, in accordance with 40 CFR §70.9. Please note that MDEQ can demonstrate fee adequacy either by meeting the presumptive minimum fee described in §70.9(b)(2) (referenced in your letter), or by providing a detailed accounting that the fees are sufficient to cover program costs, in accordance with §70.9(b)(5). EPA will review Michigan's upcoming submittal to ensure that it meets the Clean Air Act requirements. In accordance with §70.4(i)(2), EPA will provide public notice and comment before finalizing its action on Michigan's ROP program.

Thank you for your interest in Michigan's Title V Operating Permit Program. If you have any further questions, please contact me or Beth Valenziano, of my staff, at (312) 886-2703.

Sincerely,

Cheryl L. Newton
Director

Air and Radiation Division

Enclosure



RICK SNYDER
GOVERNOR

STATE OF MICHIGAN
DEPARTMENT OF ENVIRONMENTAL QUALITY
LANSING



DAN WYANT
DIRECTOR

April 7, 2011

Ms. Susan Hedman, Regional Administrator
United States Environmental Protection Agency
Region 5
77 West Jackson Boulevard (R-19J)
Chicago, Illinois 60604-3590

Dear Ms. Hedman:

Thank you for your letter of March 15, 2011, regarding the U.S. Environmental Protection Agency's (U.S. EPA) review of the Michigan Department of Environmental Quality's (MDEQ) Renewable Operating Permit (ROP) Program. In your letter, you identified specific concerns with the cost and funding of the ROP Program. This early feedback allows us to fully address the funding issue as you continue the review of Michigan's ROP Program.

We recognize the need for the Michigan Legislature to reauthorize the fees to a level that provides adequate funding. The MDEQ is working with the ROP fee payers to update the fee formula before the September 30, 2011, sunset date. This collaboration is essential for the success of the ROP Program.

We appreciate the opportunity to work with you and your staff to ensure Michigan's ROP Program is acceptable and meets the needs of our citizens. If you have any questions, please contact Mr. G. Vinson Hellwig, Chief, Air Quality Division, at 517-373-7069, or you may contact me.

Sincerely,

Dan Wyant
Director
517-373-7917

cc: Ms. Cheryl Newton, U.S. EPA, Region 5
Mr. Jim Sygo, Deputy Director, MDEQ
Mr. G. Vinson Hellwig, MDEQ
Mr. James Kasprzak, MDEQ

RECEIVED

APR 18 2011

REGION 5
OFFICE OF REGIONAL ADMINISTRATOR